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September 12, 2007

Dear Interested Party:

The U.S. Coast Guard (USCG), U.S. Maritime Administration (MARAD), and City of Los Angeles (City) announce their intent to prepare an Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) to assist in the evaluation of an application for a license for the proposed Woodside Natural Gas Inc. OceanWay Secure Energy liquefied natural gas (LNG) deepwater port (DWP). The EIS/EIR will be prepared with the City of Los Angeles (City) as a cooperating agency with the Coast Guard and Maritime Administration to meet both National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) requirements.

The OceanWay Secure Energy port would be located in Federal waters of the Santa Monica Basin, 21 miles from the nearest point on the mainland of Southern California, 18 miles from the western end of Santa Catalina Island, and approximately 27 miles southwest of Los Angeles International Airport, in a water depth of approximately 3,000 feet. Woodside Natural Gas proposes to own, construct, and operate the DWP with associated ship-to-ship transfer (STS) locations and single point mooring (SPM) buoys for receiving regasification liquefied natural gas carriers (RLNGCs) offshore. LNG would be vaporized using an ambient air regasification system and natural gas would be delivered onshore via pipelines, with a shore crossing at the north end of LAX at Dockweiler Beach. A buried onshore pipeline would take the gas to a receiving and custody transfer facility at 5651 96th Street via Westchester Parkway/Arbor Vitae Street, Bellanca Avenue, and then tie into the Southern California Gas infrastructure. Additional onshore pipeline stages, depending on demand, are also proposed within the cities of Los Angeles, Inglewood, and South Gate. Initial annualized delivery rate would be 0.4 billion cubic feet per day (bcfd) and peak of 1.1 bcfd.

Congress first authorized DWPs in 1974. Federal law (33 United States Code [U.S.C.] 1501 *et seq.*) defines a DWP as any fixed or floating manmade structure other than a vessel, or any group of such structures, that is located beyond State seaward boundaries, and that is used or intended for use as a port or terminal for the transportation, storage, or further handling of oil or natural gas for transportation to any state. All DWPs require a license granted by the Maritime Administrator based on an application process administered by the Coast Guard, in coordination with the Maritime Administration. Part of that process involves assessment of impacts to the natural and human environment from the port, in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Maritime Administration and Coast Guard are the lead Federal agencies for NEPA compliance. The Coast Guard, in cooperation with the Maritime Administration, determines the scope and completes the environmental review of the proposed project. This includes consultation with States that are adjacent to the proposed port. For the purposes of the OceanWay deepwater port application, California is an adjacent coastal state. The Coast Guard and Maritime Administration have determined that compliance with the NEPA requires preparation of an EIS.

The City has determined that the proposed port would require a City license/franchise for subsea pipelines through City waters to deliver the natural gas to shore, and a new franchise and other approvals for the onshore pipeline and receiving and custody transfer station (RCTS) to deliver the natural gas into the existing pipeline system, and that compliance with the California Environmental Quality Act (CEQA) requires preparation of an EIR. Because of the many similarities between an EIS and an EIR, the Coast Guard, Maritime Administration and the City have agreed to cooperate in preparing a single document that satisfies both NEPA and CEQA.

The EIS/EIR will be consistent with the Deepwater Port Act (DWPA) of 1974, as amended (33 U.S.C. 1501 *et seq.*); the NEPA (Section 102[2][c]), as implemented by Council on Environmental Quality regulations (40 Code of Federal Regulations 1500 to 1508); and the CEQA (California Public Resources Code §§ 21000 *et seq.*) as implemented by the State CEQA Guidelines (14 California Code of Regulations §§ 15000 *et seq.*). The environmental review and analysis will be completed according to the timeline prescribed by the DWPA, which requires a decision within 356 days. The period to complete all NEPA/CEQA documents is approximately 240 days. This timeline will govern the activities related to the processing of the license application and the completion of all NEPA and CEQA related actions needed to support the decision regarding whether to approve, approve with conditions, or disapprove the proposed license/lease/franchise.

A more detailed description of the proposed project and regulatory background is presented in the enclosures. The application may be viewed at the U.S. Department of Transportation (DOT) Docket Management System web page at: <http://dms.dot.gov> (Docket Number USCG-2007-26844). The Notice of Intent, initiating the scoping process, will publish in the *Federal Register* on or about September 14, 2007. Information that will appear in that notice is enclosed for your information. Public Notices for the open house/public meeting are being published in local newspapers.

The USCG, MARAD and City are now in the scoping period that precedes preparation of the EIS/EIR, and invite public comment relating to concerns on the proposal or to the scope of the environmental document. As part of the scoping process, the USCG, MARAD and City will hold an informational open house and public meeting. The events are open to the public and all interested parties are encouraged to attend. Written and oral comments will be accepted at both the open house and the public meeting. We encourage you to submit comments and related materials regarding this project throughout the scoping process which ends October 12, 2007.

Date: Wednesday, September 26, 2007
Location: Los Angeles Airport Marriott, 5855 West Century Blvd, Los Angeles, CA 90045; (310) 641-5700.
Times: Open House: 4:30 PM - 6:00 PM
Public Meeting: 6:30 PM - 8:30 PM (or later, depending on number of speakers)
Parking: Hotel parking will be validated. Attendees are requested to bring their garage parking ticket inside the hotel for parking validation.

In addition, comments may be submitted to the Department of Transportation's (DOT) Docket Management Facility Docket Number USCG-2007-26844.

Comments or related material must reach the Docket Management Facility on or before October 12, 2007. For further information on how to submit comments refer to the Notice of Intent, Enclosure (1). In this cooperative effort with the City of Los Angeles, the City will also be accepting comments submitted to the DOT docket. To make sure your comments and related material are not entered more than once in the docket, please submit them by only one of the following means:

Mail: Docket Management Facility, US Department of Transportation
1200 New Jersey Ave SE, West Building, Room W12-140,
Washington, DC 20590-0001
Note: please consider processing delays associated with delivery of mail to federal facilities

Hand deliver: Room W12-140 on the Ground level of the West Building,
1200 New Jersey Ave SE, Washington, DC
9:00 A.M. – 5:00 P.M., Monday - Friday, except Federal holidays

Fax: Docket Management Facility at 202-493-2251

Electronically: Docket Management System at <http://dms.dot.gov>.

The application is available now and comments, material received from the public and agencies, as well as the EIS/EIR, will become part of this docket and available on the website. The information will also be available for inspection or copying at the Docket Management Facility between 9:00 a.m. and 5:00 p.m., Monday through Friday, except for Federal holidays.

Information may also be reviewed at public libraries near the pipeline route. A list of such libraries and information on the City's processes regarding this application will also be posted on the City's website at http://eng.lacity.org/techdocs/emg/Environmental_Review_Documents.htm under "OceanWay."

If you have questions about the proposed Woodside Natural Gas Inc. OceanWay Secure Energy Deepwater Port License Application, you may contact Mr. Roddy Bachman, U.S. Coast Guard at (202) 372-1451 or by e-mail at Roddy.C.Bachman@uscg.mil. If you have questions about the NEPA process or about this EIS/EIR, please contact Ms. Joan Lang at (202) 372-1452 or by e-mail at Joan.M.Lang@uscg.mil. The contact for the Maritime Administration is Mr. Christopher Hanan at 202-366-1900, e-mail Christopher.Hanan@dot.gov. The contact for the City of Los Angeles is Ms. Linda Moore, at (213) 485-5751, e-mail: Linda.Moore@lacity.org.

Sincerely,



M. A. PRESCOTT
Chief, Deepwater Ports Standards Division
U.S. Coast Guard
By direction



H. KEITH LESNICK
Director, Office of Deepwater Ports and
Offshore Activities
U.S. Maritime Administration

Copy: Ms. Linda Moore, City of Los Angeles

Enclosures: (1) Information that will appear in Federal Register Notice of Intent
(2) Project Area Maps

**WOODSIDE NATURAL GAS INC. OCEANWAY SECURING ENERGY DEEPWATER LNG PORT
EIS/EIR SCOPING INFORMATION**

PLEASE NOTE THAT THE FOLLOWING INFORMATION WILL APPEAR IN A FEDERAL REGISTER NOTICE OF INTENT THAT WILL PUBLISH ON OR ABOUT SEPTEMBER 14, 2007. THIS INFORMATION IS BEING PROVIDED TO YOU NOW AS EARLY NOTIFICATION OF THE UPCOMING SCOPING PROCESS.

DOCKET NUMBER: USCG-2007-26844

PROPOSED PROJECT: Woodside Natural Gas, Inc. OceanWay Secure Energy Liquefied Natural Gas Deepwater Port License Application; Preparation of Environmental Impact Statement / Environmental Impact Report

AGENCY: Maritime Administration, DOT; U.S. Coast Guard, DHS.

ACTION: Notice of intent; notice of public meeting; request for comments.

SUMMARY: The Maritime Administration and the U.S. Coast Guard announce the intent to prepare an environmental impact statement/ environmental impact report (EIS/EIR). The application describes a project located in the Federal waters of the Santa Monica Basin, approximately 27 miles southwest of Los Angeles International Airport.

The EIS/EIR will be prepared with the City of Los Angeles (City) as a cooperating agency in the environmental review with the Coast Guard since the applicant has also filed an application for lease/franchise of offshore submerged City lands and an onshore pipeline franchise for the subsea pipelines through City waters and a pipeline through the City. The EIS/EIR will meet the requirements of both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

Publication of the Federal Register notice begins a 30 day scoping process that will assist in the identification and determination of the environmental issues to be addressed in the EIS/EIR. This notice requests public participation in the scoping process and provides information regarding participate in the process. It announces a public meeting to be held in connection with the EIS/EIR; requests public comment on the scope of the EIS/EIR; and also serves as a notice of intent (NOI) and notice of preparation (NOP) for the purposes of California law.

DATES: The Coast Guard, Maritime Administration, and the City will conduct an informational open house, followed by a public scoping meeting Wednesday, September 26, 2007 to receive oral or written comments. The informational open house will run from 4:30 p.m. to 6:00 p.m. . followed by a public meeting from 6:30 p.m. to 8:30 p.m. The time may be extended depending on number of speakers. Comments or related material must be received by October 12, 2007.

ADDRESSES: The open house and public meeting will be held at the Los Angeles Airport Marriott, 5855 West Century Blvd, Los Angeles, CA 90045; (310) 641-5700. PLEASE NOTE: All attendees are requested to bring their hotel parking tickets inside the hotel for parking validation.

The public docket for USCG-2007-26844 is maintained by the Department of Transportation, Docket Management Facility, 1200 New Jersey Avenue, SE., West Building, Ground Floor, Room W12-140, Washington, DC 20590-0001.

Docket contents are available for public inspection and copying at this address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Facility's telephone number is 202-366-9329, the fax number is 202-493-2251, and the web site for electronic submissions or for electronic access to docket contents is <http://dms.dot.gov>.

FOR FURTHER INFORMATION CONTACT: Questions regarding the proposed Project, the license application process, or the EIS/ EIR process may be directed to Roddy Bachman, U.S. Coast Guard, telephone: (202) 367-1451, e-mail: (Roddy.C.Bachman@uscg.mil), or Linda Moore, City of Los Angeles, telephone: (213) 485-5751, e-mail: (Linda.Moore@lacity.org). Questions regarding viewing or submitting materials to the docket may be directed to, Renee V. Wright, Program Manager, Docket Operations, (202-493-0402).

The DOT Docket Management System also chronologically contains the application and related correspondence; public meeting transcripts; will contain the Draft and the Final EIS/EIR; and will contain all comments submitted whether at public meetings or submitted directly. This can be accessed at <http://dms.dot.gov>, and search for docket number 26844.

Information pertaining to the proposed OceanWay Deepwater Port Project is also available online with the City of Los Angeles at: http://eng.lacity.org/techdocs/emg/Environmental_Review_Documents.htm

The public notice may be requested from the City of Los Angeles in an alternative format such as Spanish translation, audiotape, large print, or Braille. Contact the City of Los Angeles at the City project website listed above.

SUPPLEMENTAL INFORMATION:

Public Meeting and Open House

The Coast Guard, Maritime Administration, and City plan to conduct an informational open house and public meeting related to preparation of an EIS/EIR for the proposed Project. The open house will be an informal opportunity to ask questions and receive information regarding the Project. The public scoping meeting will be structured to provide the public with an opportunity to present comments regarding the approach and conduct of the environmental analysis. Comments will help us identify and refine the scope of the environmental issues to be addressed in the EIS/EIR.

Speaker registrations will be available at the door. Speakers at the public scoping meeting will be recognized in the following order: elected officials, public agencies, individuals or groups in the sign-up order, and anyone else who wishes to speak. Speakers may be asked to limit their oral comments to three (3) minutes in order to afford everyone an opportunity to speak and the meeting time may be extended. Speakers must identify themselves and any organization represented, by name. Remarks will be recorded or transcribed for inclusion in the public docket. Public docket materials will be made available to the public on the Docket Management Facility's Docket Management System (DMS). See "Request for Comments" for information about the DMS and your rights under the Privacy Act.

Written comments will also be accepted. You may submit written material at the public meeting, either in place of or in addition to speaking. Written material must include your name and address, and will be included in the public docket.

Please notify Roddy Bachman, U.S. Coast Guard, telephone: (202) 367-1451, e-mail: Roddy.C.Bachman@uscg.mil) as soon as possible, but at least three (3) business days before the scheduled meeting, if translation of written materials is required. A court reporter will also be available during the open house to take oral comments if you do not wish to speak at the meeting. All public scoping meeting spaces will be wheelchair-accessible. Individuals may request special accommodations for the public scoping meetings, such as real-time translation. Contact the Coast Guard or City of Los Angeles (see FOR FURTHER INFORMATION CONTACT) if special accommodations are required. Requests should be made as soon as possible but at least three (3) business days before the scheduled meeting. Include the name and telephone number of the contact person, the timelines for requesting accommodations, and a TDD number that can be used by individuals with hearing impairments.

Request for Comments

The Coast Guard, MARAD, and the City request submittal of comments and related material regarding this notice using one of the methods described below. The Coast Guard, MARAD, and the City most particularly seek comments that identify potentially significant impacts, alternatives, or mitigation measures that should be taken into account in determining the scope of the EIS/EIR.

We request public comments or other relevant information on environmental issues related to the proposed deepwater port. The public meeting is not the only opportunity to comment. In addition to or in place of attending the meeting, comments may be submitted to the Docket Management Facility or City of Los Angeles during the public comment period (see DATES).

The Coast Guard, Maritime Administration and City will consider all comments and material received during the comment period. It is not necessary to present comments more than once. Comments need not be submitted to multiple agencies; all comments received will be shared amongst agencies.

Submissions to the DOT Docket Management System should include:

- Docket number USCG-2007-26844.
- Your name and address.
- Your reasons for making each comment or for bringing information to our attention.

Submit comments or material using only one of the following methods:

- Electronic submission to DMS, <http://dms.dot.gov>.
- Fax, mail, or hand delivery to the Docket Management Facility (see ADDRESSES). Faxed or hand delivered submissions must be unbound, no larger than 8½ by 11 inches, and suitable for copying and electronic scanning. If you mail your submission and want to know when it reaches the Facility, include a stamped, self-addressed postcard or envelope.

Regardless of the method used for submitting comments or material, all submissions will be posted, without change, to the DMS website (<http://dms.dot.gov>), and will include any personal information provided. Therefore, submitting this information makes it public. You may wish to read the Privacy Act notice that is available on the DMS website, or the Department of Transportation Privacy Act Statement that appeared in the Federal Register on April 11, 2000 (65 FR 19477). You may view docket submissions at the Docket Management Facility (see ADDRESSES), or electronically on the DMS website.

Background

A notice of application for the proposed Ocean Way DWP was published in the Federal Register (FR) on Friday, September 7, 2007 (51488). Consult that notice for additional information regarding the proposed DWP, the ship-to-ship transfer locations, the offshore and onshore pipelines and the receiving and custody transfer facility. The "Summary of the Application/Proposed Action" from that publication is reprinted below for your convenience.

Congress first authorized DWPs in 1974. Federal law (33 United States Code [U.S.C.] 1501 *et seq.*) defines a DWP as any fixed or floating manmade structure other than a vessel, or any group of such structures, that is located beyond State seaward boundaries, and that is used or intended for use as a port or terminal for the transportation, storage, or further handling of oil or natural gas for transportation to any state. All DWPs require a license granted by the Maritime Administrator based on an application process administered by the Coast Guard, in coordination with the Maritime Administration. Part of that process involves assessment of the natural and human environmental impacts from the port, in compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4332). The Maritime Administration and Coast Guard are the lead Federal agencies for NEPA compliance. The Coast Guard, in cooperation with the Maritime Administration, determines the scope and completes the environmental review of the proposed project. This includes consultation with States that are adjacent to the proposed port. For the purposes of the OceanWay deepwater port application, California is an adjacent coastal state. The Coast Guard and Maritime Administration have determined that compliance with the NEPA requires preparation of an EIS.

The City has determined that the proposed port would require a City license/franchise for subsea pipelines through City waters to deliver the natural gas to shore, and a new franchise and other approvals for the onshore pipeline and receiving and custody transfer station (RCTS) to deliver the natural gas into the existing pipeline system, and that compliance with the California Environmental Quality Act (CEQA) requires preparation of an EIR. Because of the many similarities between an EIS and an EIR, the Coast Guard, Maritime Administration and the City have agreed to cooperate in preparing a single document that satisfies both NEPA and CEQA.

The EIS/EIR will be consistent with the Deepwater Port Act (DWPA) of 1974, as amended (33 U.S.C. 1501 *et seq.*); the NEPA (Section 102[2][c]), as implemented by Council on Environmental Quality regulations (40 Code of Federal Regulations 1500 to 1508); and the CEQA (California Public Resources Code §§ 21000 *et seq.*) as implemented by the State CEQA Guidelines (14 California Code of Regulations §§ 15000 *et seq.*). The environmental review and analysis will be completed according to the timeline prescribed by the DWPA, which requires a decision within 356 days.

The period to complete all NEPA/CEQA documents is approximately 240 days. This timeline will govern the activities related to the processing of the license application and the completion of all NEPA and CEQA related actions needed to support the decision regarding whether to approve, approve with conditions, or disapprove the proposed license/lease/franchise.

The notice of intent provides compliance with the requirements of the NEPA regulations and also serves as the notice of preparation as required by CEQA. It briefly describes the proposed action and possible alternatives and our proposed scoping process. Address any questions about the proposed action, the scoping process, or the EIS/EIR to the Coast Guard or City of Los Angeles (see FOR FURTHER INFORMATION CONTACT).

Proposed Action and Alternatives

The proposed action requiring environmental review is the Federal licensing of the proposed deepwater port described in "Summary of the Application/Proposed Action/Project" below. The alternatives to licensing the proposed port are: (1) licensing with conditions (including conditions designed to mitigate environmental impact), and (2) denying the application, which for purposes of environmental review is the "no-action" alternative.

The proposed action requiring environmental review by the City Of Los Angeles is the granting of a pipeline franchise and appurtenant approvals for the same project. The City may also (1) approve the project, (2) approve the project with conditions, or (3) deny the project.

Scoping Process

Public scoping is an early and open process for identifying and determining the scope of issues addressed in the EIS/EIR. Scoping begins with this notice, continues through the public comment period and ends when the Coast Guard, Maritime Administration and the City have:

- Invited the participation of Federal, State, and local agencies, any affected Indian tribes, the applicant, and other interested persons;
- Determined the actions, alternatives, and impacts described in 40 CFR 1508.25;
- Identified and eliminated from detailed study those issues that are not significant or that have been covered elsewhere;
- Allocated responsibility for preparing EIS/EIR components;
- Indicated any related environmental assessments or environmental impact statements that are not part of the EIS;
- Identified other relevant environmental review and consultation requirements;
- Indicated the relationship between timing of the environmental review and other aspects of the application process; and
- At the Federal agencies' discretion, exercised the options provided in 40 CFR 1501.7 (b).

Once the scoping process is complete, the Coast Guard and City of Los Angeles will prepare a draft EIS/EIR (DEIS/DEIR), and publish a Federal Register notice announcing its public availability. To receive that notice, please contact those identified in (FOR FURTHER INFORMATION). An opportunity to review and comment on the draft EIS/EIR will be provided. The Coast Guard, Maritime Administration and City will consider those comments in the preparation of the final EIS/EIR (FEIS/FEIR). As with the draft EIS, we will announce the availability of the FEIS/FEIR and once again allow an opportunity for review and comment.

Availability of EIS/EIR

A notice of availability (NOA) will be published in the Federal Register when the DEIS/DEIR is available, and the City will file a notice of completion with the California State Clearinghouse and the Los Angeles County Clerk and will publish a notice of availability in the "City of Los Angeles Environmental Notices" section of the Los Angeles Times. The DEIS/DEIR in hardcopy or electronic format will be distributed to agencies, local public libraries and interested parties that have requested copies. Anyone who wishes to comment on the draft report will be provided with an opportunity to review the DEIS/DEIR and to offer comments on the environmental effects of the proposed project. Comments received during the DEIS/DEIR review period will be available in the public docket and responded to in the FEIS/FEIR. An NOA of the FEIS/FEIR will also be published in the Federal Register, and the City will issue notices of availability and completion. Additional public meetings will be held after the draft and final documents are published.

Summary of the Application/Proposed Action/Project

Woodside Natural Gas proposes to construct, own, and operate a deepwater port with associated ship-to-ship transfer (STS) location(s) and single point mooring (SPM) buoys for the receiving of regasification liquefied natural gas carriers (RLNGCs), offshore and onshore natural gas pipelines and a receiving and custody transfer facility (RCTS) to deliver natural gas with an annualized rate of 0.4 billion cubic feet per day (bcf/d) and a peak of 1.1 bcf/d into the Southern California market on initial development and an annualized rate of 1.0 bcf/d and a peak of up to 1.6 billion cubic feet per day (bcf/d) at full project development.

The deepwater port would be located in the Federal waters of the Santa Monica Basin, 21 miles from the nearest point on the mainland of Southern California, and 18 miles from the western end of Santa Catalina Island, approximately 27 miles southwest of Los Angeles International Airport (LAX), in a water depth of approximately 3,000 feet. It would consist of two single point mooring (SPM) buoys that serve as cargo discharge system connections for the regasification liquefied natural gas carriers (RLNGCs), a mooring/anchoring array, four flexible risers that connect the SPMs to four seafloor riser end manifolds, two pipeline end manifolds (PLEMs) and two parallel 24-inch pipelines beginning on the seafloor at the PLEMs beneath the SPM buoys and continuing to shore. The SPMs would be located approximately 5 nautical miles (5.75 miles) outside established shipping lanes (SPM NE: Latitude: 33°41'52"N, Longitude: 118°48'33"W and SPM SW: Latitude: 33°39'58"N, Longitude: 118°49'15"W).

Woodside has proposed three ship-to-ship transfer locations ranging from approximately 35 to 90 nautical miles (40 to 104 miles) from shore and 55 to 111 nautical miles (63 to 128 miles) from the port where each RLNGC is expected to receive LNG cargo at sea from conventional LNG carriers. STS1 Santa Rosa (Latitude 33°39'N, Longitude 119°56'30"W), STS2 Inshore San Clemente 33°05'N, Longitude 118°10'W) and STS3 Skaugen Offshore (Latitude 32°15'N, Longitude 120°0'W). Only one transfer location would be used at a time. The RLNGCs, with storage capacity of 224,000 m³ of LNG would be capable of receiving LNGCs with storage capacities of up to 216,000 m³ of LNG.

As proposed, LNG would be delivered from overseas by conventional LNG carrier (LNGC) and transferred to a Woodside RLNGC at one of the three STS locations. The RLNGC would then be sailed and moored to an SPM, where the LNG would be regasified into natural gas and delivered to shore via two new parallel 24- inch pipelines. The RLNGC would then return to an STS location.

The RLNGCs would use a turret system with the SPMs to allow the RLNGC to weathervane (rotate) around the buoy. Onboard utilities and systems associated with RLNGC operations would include electric power generation and distribution, instrumentation and controls, and fire and safety systems. The RLNGC would include all marine systems, communications, navigation aids and equipment necessary to safely conduct RLNGC carrier operations, receive and vaporize product.

The RLNGCs would use a forced draft ambient air LNG vaporization system employing a combination of intermediate fluid and direct ambient air with heat provided by ambient air called the Woodside Hybrid Air Vaporization (WHAV) concept.

Natural gas would be delivered onshore via two 24-inch parallel pipelines, approximately 35 miles in length. These pipelines would come onshore on the north end of LAX at Dockweiler Beach. It is proposed that horizontal directional drilling be used to install the pipelines beneath land and seabed in offshore City waters and underneath the beach and adjacent dunes from a point about 1000 feet inland from the high tide mark just east of Vista del Mar on LAX property.

Woodside would lease/franchise from the City a 300 foot wide corridor on submerged City lands out to the 3 nautical mile (3.45 mile) offshore limit of the City boundary. On-shore pipelines would be constructed on City-owned land from the high tide line to Pershing Drive, passing under the beach and the El Segundo Dunes, and underground through City streets. The route would include Westchester Parkway/Arbor Vitae Street, then south on Bellanca Avenue to the receiving and custody transfer station (RCTS) and adjacent Inert Gas Injection Facility (IGIF) located at 5651 96th Street, Los Angeles, about 4 miles inland. A single 36-inch pipeline would run approximately a quarter of a mile back north on Bellanca Avenue to Arbor Vitae, then to the existing Southern California Gas natural gas pipeline infrastructure with Tie-in #1 at the intersection of Aviation Boulevard and Arbor Vitae Street.

A second stage, with development depending on demand, may include additional pipelines and tie-ins that are an approximate 11-mile single 24-in line from Tie-In #1 along Arbor Vitae, Prairie, Manchester, Firestone, and California to Tie-In #3 at Santa Ana Street and Otis Avenue in South Gate and approximate 1 mile single 24-inch line from Manchester Street to Central Ave to Tie-In #2 at the intersection of S. Central Avenue and E. Century Boulevard. These pipeline routes include areas within the cities of Los Angeles, Inglewood, and South Gate. At full development, Southern California Gas would own and operate the system downstream of the RCTS.

The application also includes an alternative DWP location in the Gulf of Santa Catalina approximately 30 miles from Huntington Beach at latitude 117°56'28.53" west, longitude 33°13'24.88" north with a 30 mile pipeline running north to a shore crossing at the AES power plant in Huntington Beach. It would cross through the cities of Huntington Beach, Fountain Valley, Westminster, Garden Grove, Santa Ana, and Orange. It would be trenched through city streets traveling north along Newland Street towards Bolsa Avenue; turn east at Bolsa Ave. (1st Street); turn north at the OCTA Metrolink Right of Way and join Lincoln Ave; east on Fairhaven Ave.; north at Cambridge Street; and finally west on Palm Ave., where it would connect to the SCG tie-in in Orange.

Currently Identified Environmental Issues

The NEPA and CEQA processes require agencies to consider environmental impacts that may result from a proposed action, to inform the public of potential impacts and alternatives, and to facilitate public involvement in the assessment process. Additionally, CEQA requires measures to avoid or lessen the significant impacts of a project when granting an approval, unless it finds certain benefits of the project outweigh those significant effects.

The EIS/EIR for the OceanWay DWP will describe the nature and extent of environmental impacts of the proposed action and each alternative, and will discuss appropriate mitigation measures for any adverse impacts. The EIS/EIR will include, among other matters, discussions of the purpose and need for the proposed action, a description of alternatives, a description of the affected environment, an evaluation of the environmental impacts of the proposed action and alternatives, and explanations of proposed mitigation. The EIS/EIR will assess the impacts of the alternatives on the natural and human environment, including the no-action/no project alternative, which for this Project would mean that the Maritime Administration would not approve the application or the City would not approve the application for the lease/franchise of the offshore pipelines in City waters, the RCTS, and onshore pipelines. Regardless of geographic or other jurisdictional boundaries, the Coast Guard, Maritime Administration and the City will consider the entire proposed Project.

Environmental issues that will require detailed analysis include, but are not necessarily limited to:

Aesthetics: Alteration of the view shed by construction and operations.

Air Quality: Impacts on regional air quality, including visibility and other resources in sensitive Federal Class I areas (e.g., Channel Islands National Park).

Geological Resources and Soils: Impacts on facilities from seismic hazards; Impacts on onshore facilities from liquefaction; and erosion and dust

Hazardous/Toxic Materials and wastes: Impacts from HAZMAT spills including petroleum, LNG, other hydrocarbons, fuels, lubricant, urea, paints, solvents, and sanitary or other hazardous/toxic materials or waste.

Marine Transportation: Disruption in marine transportation affecting existing ship traffic to and from the ports of Los Angeles and Long Beach or other ports; Potential navigational hazards to marine traffic; increase in tanker travel to and from the single point mooring locations that could impact existing marine traffic.

Marine Biology: Vessels potentially striking sea turtles and marine mammals; Crushing and displacement of benthic communities during construction; Effects of "cold water" resulting from LNG release to marine mammals; and Effects of increases in turbidity and changes in water quality, lights, and noise.

Terrestrial and Freshwater Biology: Impacts from construction or operation on wetlands and other habitats, and sensitive species, within the proposed pipeline landing and corridor areas.

Recreation: Impacts on boating and commercial and recreational fishing opportunities; Recreational areas potentially impacted by noise or dust generated during construction; Access to the beach or ocean; and Permanent and temporary areas of restricted access around the RGLNC.

Hazards and Risk/Safety: LNG releases resulting in potential impacts on third parties from fire, radiant energy, or ignitable gas clouds (mainly to passengers of small craft operating near the RGLNC); Effects of pipeline failures on humans, property, and marine and terrestrial ecosystems. The EIS/EIR will include an independently prepared, site-specific risk assessment.

Noise: Potential increases in noise levels due to project construction and operation; and Effects of noise on local residents, recreational visitors, passengers and crews on marine vessels, and marine mammals.

Water Quality: Impacts from LNG or spills, increases in turbidity, or unearthing of contaminated sediments; Increases in shoreline erosion during construction and operation.

Environmental Justice: Potential disproportionate effects on minority and low-income populations within the Project area. The EIS/EIR will identify any relevant populations that might be disproportionately affected by the proposed Project.

Cultural Resources: Potential effects on known and as yet unidentified cultural resources, offshore and onshore.

Energy and Mineral Resources: Restriction of future availability of exploitable oil and gas resources due to infrastructure development and restricted access.

Land Use and Traffic: Impacts to existing land uses, especially in coastal areas designated for recreational purposes; Impacts on marine resources off the coast of Los Angeles, including Catalina Island, the Channel Islands National Marine Sanctuary and Channel Islands National Park; and Disruptions to traffic use and patterns.

Population and Housing: Impacts on the existing community character and development, population, housing, infrastructure and social services, employment, and the regional economic base.

Cumulative Impacts: The EIS/EIR will evaluate the cumulative effects of the project within each resource area examined. These include the incremental effects of past projects, other current and proposed projects, and reasonably foreseeable future projects.

No-Action/No Project Alternative: The EIS/EIR will examine the impacts of not approving the DWP license/lease/franchise application.

Alternative Offshore Locations: The EIS/EIR will consider an alternative location in the vicinity of the proposed Project and other locations adjacent to the California coast.

Land-Based Alternatives: The California Legislature mandated the evaluation of land-based LNG sites. Land-based alternatives previously considered by California agencies will be considered.

Alternative Technologies: Alternative Project technologies, including open rack vaporizers and a hybrid vaporization system and alternative facility designs will also be evaluated.

Alternative Pipeline Routes: The EIS/EIR will also evaluate an alternative submarine pipeline route and an alternative onshore pipeline route.

Federal, State, and City permit, approval, and consultation: The major federal and city permit, approval, and consultation requirements for OceanWay include, but are not necessarily limited to, the following:

Federal

- DOT/Maritime Administration—DWP license
- DHS/U.S. Coast Guard—DWP design and operational requirements
- U.S. Environmental Protection Agency (EPA) Title V Federal air operating permit; Clean Water Act (CWA) storm water and wastewater discharge permits
- U.S. Army Corps of Engineers (USACE)—Clean Water Act Section 404 and Rivers and Harbors Act Section 10 permits
- U.S. Fish and Wildlife Service—Section 7, Endangered Species Act (ESA) consultation

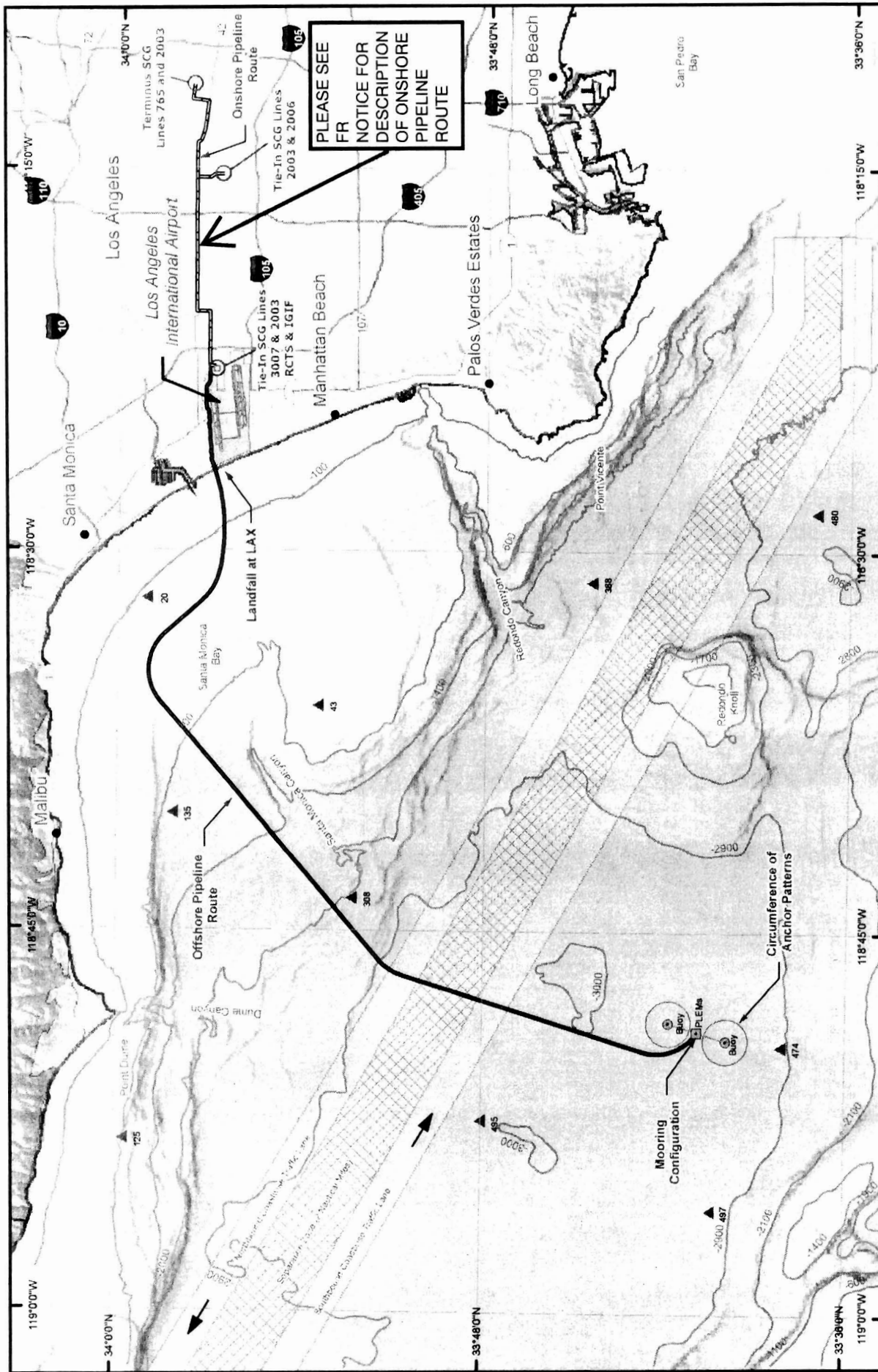
- National Oceanic and Atmospheric Administration (NOAA), Section 7, ESA consultation requirements
- NOAA Fisheries—Magnuson-Stevens Fisheries Management and Conservation Act consultation
- NOAA Fisheries—Marine Mammal Protection Act consultation

California

- **California** Coastal Commission Compliance with California Coastal Act and consistency with California Coastal Management Program
- California State Historic Preservation Officer (SHPO), National Historic Preservation Act Section 106 and California historic preservation requirements, consultation and compliance

City of Los Angeles

- **Los Angeles** Regional Water Quality Control Board (RWQCB)—CWA Section 401 certification
- Los Angeles RWQCB—Hydrostatic test water discharge permit
- Pipeline franchise and lease or easement approvals
- Local coastal development permit in compliance with the California Coastal Act

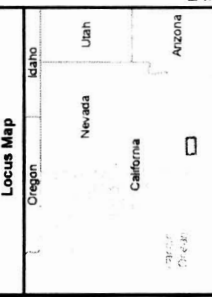


Project Location OceanWay Secure Energy Project

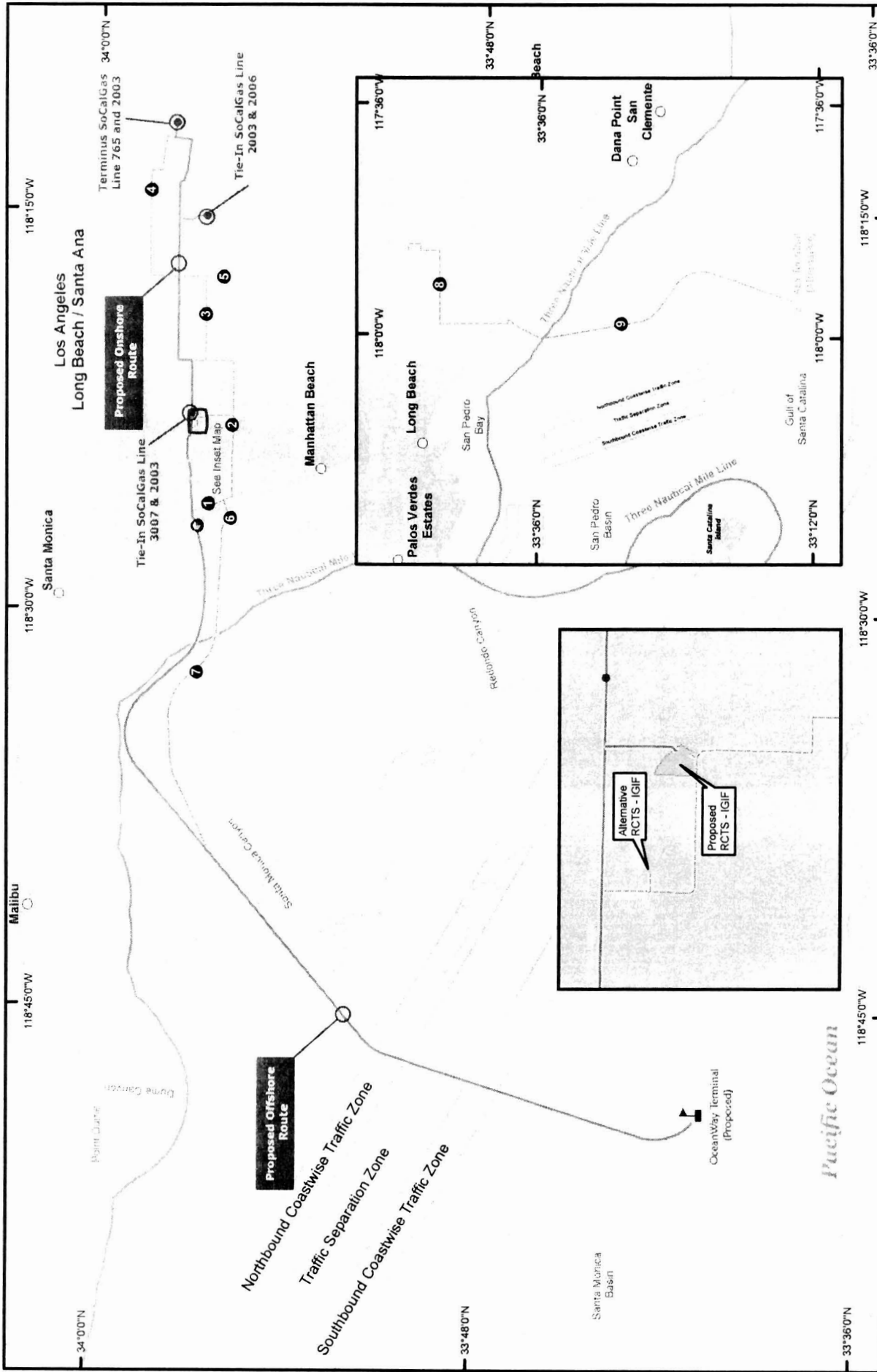


Figure: 5-1

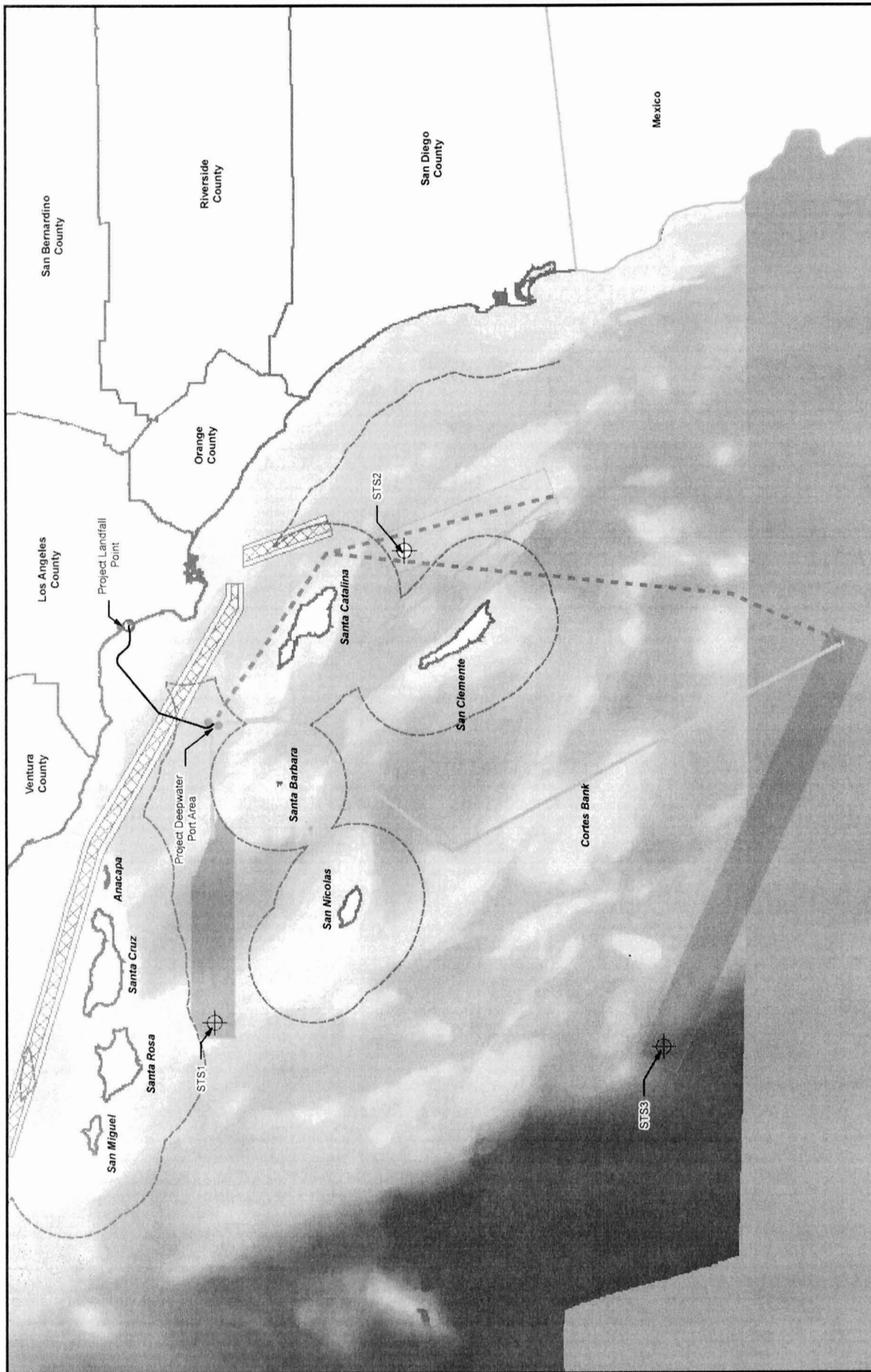
- OceanWay Proposed Route
- SCG System Upgrade Route
- Mooring Buoys
- PLEMs
- NOAA Soundings (Fathoms)
- Urban Areas
- Major Roads



Base Map: The Southern California Coastal Ocean Observing System National Geophysical Data Center



Locus Map 	Legend 	Location of Proposed Project & Alternatives OceanWay Secure Energy Project
Figure 12-1 	Legend 1 Alternative Route 1 2 Alternative Route 2 3 Alternative Route 3 4 Alternative Route 4 5 Alternative Route 3 Lateral 6 LAX South Shore Crossing 7 LAX Offshore Alternative Route 8 AES Onshore Alternative Route 9 AES Offshore Alternative Route	Figure 12-1
Base Map: The Southern California Coastal Ocean Observing System National Geophysical Data Center	Bathymetry (Depth in Feet) County Boundaries 3 Nautical Mile Line	Figure 12-1



Locus Map

Legend

- STS1 = Santa Rosa
- STS2 = Inshore San Clemente
- STS3 = BP Skaugen Offshore Location

OceanWay Preferred Return Route

OceanWay Alternate Return Route

Traffic Separation Zone

North/South Bound Coastwise Traffic Zone

Ship-to-Ship Transfer Operational Areas
OceanWay Secure Energy Project
Figure: 10-2

Territorial Sea (12 naut. mi.)

ENSURE

ENSR

AFCON